GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:77
ANSWERED ON:22.11.2001
IOC AGREEMENT IN ASIAN MARKETS
ALE NARENDRA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a): whether I.O.C.L. have entered into agreements with South, West AsianMarkets to start petrol pumps, lubricants retail outlets and LPG Marketing;

(b): if so, the details thereof and revenue likely to be earned;

(c): the names and places where they are being/likely to be started;

(d): whether any concrete proposals were chalked out by the Government in this regard; and

(e): if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No.77 dated 22.11.2001 regarding IOC Agreement in Asian Markets.

(a): The Indian Oil Corporation Limited (IOC) has not entered into any agreement for starting petrol pumps, lubricants retail outlets or for marketing LPG in any South Asian or West Asian market.However, the IOC has appointed lube distributors in Nepal, Bangladesh and Sri Lanka for marketing SERVO lubricants.

(b)&(c): The IOC has appointed M/s Jeetu Concerns, M/s Baraka Limited and M/s David Pieris Motor Company as lube distributors i Nepal, Bangladesh and Sri Lanka respectively for marketing SERVO lubricants.

The distributor in Nepal is selling an average of 400 Kilo litres (KL) / year of SERVO lubricantsThe distributor in Bangladesh has uplifted 546 KL in 1999-2000 and 513 KL during April - October, 2001.The agreement with the distributor in Sri Lanka was signed in June, 2001. The IOC expects to sell about 1000 KL/year of SERVO lubricants in Sri Lanka.

In Malaysia, the IOC is blending and marketing SERVO lubricants through franchise arrangementsCurrent sales are approximately 250 KL/annum.

Since SERVO is not known in foreign markets, the IOC is currently trying to seed the market for creating visibility and not high profits.

The IOC has plans for appointing distributors for marketing SERVO lubricants in Dubai and LPG in Bangladesh.

(d) & (e) : Within the overall policy of Government of India, Oil Companies have to take commercial decisions with regard to marketing of petroleum products abroad.